

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 /030 W

----- 033051

R 131501Z MAR 75

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC 6465

INFO AMEMBASSY SAN SALVADOR

C O N F I D E N T I A L MANAGUA 1016

EO 11652: GDS

TAGS: ELAB, NU

SUBJECT: CONSTRUCTION STRIKE FALTERS

REF MANAGUA 0788

SUMMARY: AS CONSTRUCTION STRIKE ENTERS ITS FOURTH WEEK, COMPANIES CONTINUE HOLDING TOUGH LINE AND HIGH PERCENTAGE OF WORKERS RETURNING TO JOB. COMMUNIST CONTROLLED CONSTRUCTION UNION'S INABILITY TO RALLY MEMBERSHIP IN DISPUTE POINTS TOWARD EROSION OF STRENGTH OF THIS NICARAGUA'S MOST POWERFUL LABOR GROUP. END SUMMARY

1. AS NICARAGUA'S CONSTRUCTION STRIKE ENTERS ITS FOURTH WEEK, CHAMBER OF CONSTRUCTION (CNC) PRINCIPAL NEGOTIATOR, GUSTAVO TIJERINO, THREATENED IN TELEVISED INTERVIEW TO IMPORT 2,000 SALVADORAN WORKERS. WHILE HE ADMITTED IN PRIVATE TO EMBOFF THAT THIS WAS ONLY PLOY TO KEEP PRESSURE ON CONSTRUCTION WORKERS' UNION (SCAAS), TIJERINO ENTERTAINS HIGH HOPES THAT BY TAKING TOUGH LINE CNC WILL BE ABLE TO BREAK STRIKE. THIS WAS REFLECTED IN CHAMBER'S MARCH 9 COMMUNIQUE WHICH CLAIMS NICARAGUAN CONSTRUCTION WORKERS ALREADY EARN MORE THAN ANYWHERE ELSE IN HEMISPHERE EXCEPT CANADA, U.S. AND VENEZUELA AND TWICE AS MUCH AS THEIR NEIGHBORS IN EL SALVADOR, WHO ARE SECOND HIGHEST PAID IN CENTRAL AMERICA. COMMUNIQUE ALSO ADDRESSES IN SOME DETAIL ADVERSE EFFECTS OF "ILLEGAL" STRIKE ON NICARAGUAN ECONOMY IN GENERAL AND INVITES OTHER

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WORKERS TO JOIN THE "THOUSANDS" WHO HAVE ALREADY RETURNED TO

THEIR JOBS. CNC MAY ALSO HAVE INSPIRED RECENT SPATE OF ARTICLES IN NOVEDADES WHICH DEPLORE MANNER IN WHICH CONSTRUCTION WORKERS SQUANDER WAGES ON "VICES."

2. TIJERINO PRIVATELY ESTIMATES SEVENTY PERCENT OF WORKERS HAVE RETURNED. THIS COMBINED WITH OTHER REPORTS EMBASSY HAS RECEIVED CONFIRMS OUR IMPRESSION THAT IN CONTRAST TO WELL-DISCIPLINED EFFORTS BY SCAAS IN 1973 CONSTRUCTION WALKOUTS THIS TIME HIGH PERCENTAGE OF WORKERS ARE ABANDONING STRIKE. BACKBONE OF SCAAS, WHICH HAS GIVEN THEM CONTROL OF THE INDUSTRY, HAS ALWAYS BEEN SKILLED WORKERS, AND MANY, PERHAPS MAJORITY OF THESE, ARE STILL ON STRIKE. BUT THERE IS INCREASING EVIDENCE THAT EVEN THEY ARE WAVERING. SCAAS' INABILITY TO RALLY MEMBERSHIP IN THIS DISPUTE POINTS TOWARD EROSION OF ITS FORMER STRENGTH.

3. MOST SERIOUS PROBLEM FOR UNION IS THAT ISSUE IN THIS STRIKE--HIGHER WAGES--APPARENTLY DOES NOT ENJOY THE STRONG SUPPORT OF THE RANK AND FILE WHICH WAS SO APPARENT IN 1973 CONFRONTATIONS. BOTH THOSE DISPUTES WERE OVER CLEARLY DEFINED ISSUES OF OBVIOUS AND IMMEDIATE CONCERN TO WORKERS--A RETURN TO A NORMAL WORK WEEK AND WELL JUSTIFIED SALARY DEMANDS AFTER YEARS WITHOUT A WAGE INCREASE. THIS CURRENT STRIKE SEEMS TO HAVE NO SUCH WIDELY ACCEPTED RATIONALE. SALARY SCHEDULES NEGOTIATED IN 1973 HAVE EDGED MANY CONSTRUCTION WORKERS UP INTO NICARAGUA'S MIDDLE INCOME BRACKETS, AND IT IS UNDERSTANDABLE THAT ANY IN SCAAS HAVE DIFFICULTY WORKING UP INDIGNATION OVER WAGE ISSUE. LACK OF CONVICTION ON WAGE ISSUE WAS REFLECTED WHEN EARLY IN NEGOTIATIONS TO END STRIKE SCAAS CUT ITS DEMAND BY HALF--BRINGING IT DOWN TO 30 PERCENT.

4. IN ADDITION, GON'S NEUTRAL ATTITUDE AND MANAGEMENT'S WILLINGNESS TO NEGOTIATE DESPITE EXISTENCE OF A CONTRACT HAVE AIDED IN AVOIDING PROVOCATIONS WHICH MIGHT CAUSE UNION TO CLOSE RANKS. CURRENT GON ROLE IS IN MARKED CONTRAST TO 1973 EFFORTS TO BREAK STRIKES WHICH ONLY STIFFENED RESISTANCE AND RALLIED WORKERS AROUND LEADERSHIP. LABOR MINISTER JULIO CARDOZA SEEMS EVEN TO HAVE GONE SOMEWHAT IN OTHER DIRECTION. TO DISMAY OF CNC, LAST WEEK HE SUGGESTED A 15 PERCENT SALARY INCREASE TO SCAAS AS BASIS FOR SETTLEMENT. THIS WAS QUICKLY DISOWNED BY CONSTRUCTION COMPANIES WHICH

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HAVE, OFFICIALLY AT ANY RATE, WITHDRAWN EVEN THEIR 10 PERCENT OFFER AFTER DEADLINE FOR ACCEPTANCE EXPIRED SEVERAL DAYS AGO.

5. SCAAS ALSO HAS FACTIONAL PROBLEMS FROM WITHIN. OVER PAST SEVERAL MONTHS, RADICAL GROUP DESCRIBED AS MAOIST, HAS SOUGHT TO UNSEAT CURRENT MORE MODERATE, PRAGMATIC COMMUNIST LEADERSHIP. RADICAL ELEMENTS OF SCAAS ARE SUPPORTED BY A GROUP KNOWN BY THE ACRONYM CAUS AND AMONG

OTHER THINGS THEY STRONGLY OPPOSE THE UNION'S PARTICIPATION IN UNITED FRONT OPPOSITION GROUP UDEL. FOR THIS REASON, MANY SPECULATE THAT GON, WHICH HAS LONG PURSUED POLICY OF PROMOTING ANTAGONISTIC FACTIONS AMONG LABOR GROUPS, IS SURREPTITIOUSLY ENCOURAGING CAUS. TIJERINO BLAMES CURRENT STRIKE IN LARGE PART ON SCAAS LEADERS' NEED TO DEMONSTRATE THEIR MILITANCE IN ORDER TO UNDERCUT INFLUENCE OF THIS GROUP, AND CNC COMMUNIQUE REFERS TO "INTERNAL UNION POWER STRUGGLE" AS CAUSING DISPUTE.

6. FACED WITH A STRIKE WHICH THEIR MEMBERS ARE ONLY HALF SUPPORTING AGAINST A STRONG MANAGEMENT FRONT AND CHALLENGED WITHIN BY A GROUP WHICH WILL CAPITALIZE ON ANY SIGN OF WEAKNESS, CURRENT SCASS LEADERSHIP IS IN DIFFICULT SITUATION. PROSPECTS ARE THAT DESPITE DEFECTIONS STRIKE WILL LINGER ON AS LEADERS SEEK TO WORK OUT SOME FACE-SAVING COMPROMISE.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, LABOR STRIKES, COMMUNIST LABOR ORGANIZATIONS, PRESS CONFERENCES
Control Number: n/a
Copy: SINGLE
Draft Date: 13 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MANAGU01016
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750088-0759
From: MANAGUA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750355/aaaabwwx.tel
Line Count: 132
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 MANAGUA 0788
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 09 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 SEP 2003 by BoyleJA>; APPROVED <10 NOV 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CONSTRUCTION STRIKE FALTERS
TAGS: ELAB, NU, (TIJERINO, GUSTAVO)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006